

**Delaware Health Resources Board**  
**The Birth Center Holistic Women's Healthcare Review Committee Meeting**  
**Friday, December 8, 2017 1:00 PM**  
**Edgehill Shopping Center 43 South Dupont Highway**  
**Division of Public Health Large Training Room**  
**Dover, DE 19901**

***Review Committee Members Present:***

Lynn Fahey Chair, Carolyn Morris and Nicholas (Nick) Moriello

***Staff Present:***

Joanna Suder and Latoya Wright.

***Call to Order and Welcome***

The meeting of the Review Committee for The Birth Center Holistic Women's Healthcare LLC was called to order at 1:22 p.m.

***Review of The Birth Center Holistic Women's Healthcare Application***

It was stated that on August 1, 2017, The Birth Center Holistic Women's Healthcare LLC (the Birth Center) submitted a Notice of Intent to relocate their existing birthing center to a new location in Newark, DE. The application was received on September 19, 2017 with an estimated capital expenditure of \$40,000. The public notice was posted on October 18, 2017. There was no request for a public hearing which makes the review period 90 days from the date of the public notice.

The Review Committee reviewed the application along with the Internal Staff Analysis document.

***Project Summary and Background Information***

It was stated the Birth Center was incorporated in 1999 by Dorinda Dove, CNM and Kathleen McCarthy, CNM. Prior to that date, the center operated in the same location since 1982, under two different owners. The business is planning to relocate in 2018. The reasons for relocating the Birth Center are as follows:

- The business is growing and there is need to have a larger space in order to better serve the existing clients and be able to meet a growing demand for the out of hospital birth experience.
- Upon Dorinda and Kathleen's retirement in five years or so, the business, upon change of ownership, will no longer be able to operate in the existing building as it does not meet current code (the building was "grandfathered" for purposes of licensing and accreditation). The new facility will be up to code to include ADA accessibility.
- The Birth Center will be in close proximity to Christiana Hospital, which is the hospital where all of the Birth Center's consultant physicians practice.

The goal is to have the business in a new location prior to the owner's retirement. The new location will be 620 Churchman's Road where it will be constructed by the Commonwealth Group. The purchaser of the property will be KD Real Estate. The Birth Center will be leasing from KD Real Estate which will be their landlord. The new building will have an emphasis on integrative health care.

### ***Review Considerations***

The Review Committee reviewed the following criteria for the proposal to determine whether the application meets or does not meet each criterion.

#### **Criterion I: The relationship of the proposal to the Health Resources Management Plan (HRMP)**

The Birth Center will provide a full scope of health care to women in Delaware, New Jersey, Maryland and Pennsylvania. The Birthing Center states they are the only birth center in Delaware. The Birth Center serves the needs of women who prefer an out of hospital birth through an established, accredited institution. The Birth Center has a contract with Medicaid for women. This allows women that have DE state insurance to attend childbirth classes that are covered by Medicaid. The Birth Center emphasize healthy lifestyle behaviors. They support and empower families to make well-informed health care choices.

The Review Committee agreed the application meets criterion I.

#### **Criterion II: The need of the population for the proposed project**

It was noted in the application that the women in Delaware deserve safe options for their baby. While for many women, this will mean having a hospital birth, for some it will mean having an out of hospital birth if the criteria for a low risk pregnancy are met. For many years, the Birth Center was the only legal option for an out of hospital birth in DE. The Birth Center provides care and education to women in Delaware, Maryland, Pennsylvania and New Jersey. Their population is diverse and ranges in scope from patients having commercial insurance and Medicaid. The application notes that there are no other birth centers in the immediate area. The Birth Center has reached capacity for classes, lactation visits and office visits. There is a growing trend towards birth centers in the U.S. The application also asserts to the millennial generation and their participatory in their health and well-being. This generation tends to utilize birthing centers even more. The benefits for the Birth Center moving to a new location are as follows:

- More space to accommodate their growing needs
- Located in an area that is experiencing significant growth
- Leverage the relationships of the complementary practitioners
- Ability to offer ultrasound and lab services within the new facility
- Incorporate the ancillary holistic services
- Closer to Christiana Hospital and can easily transfer patients when the need arises
- Will have a modern, state of the art facility which will enable greater efficiencies within the practice and with other complementary practitioners

The Review Committee discussed the growth of the population and more people accessing services. It was stated the application supports the need of the population.

The Review Committee agreed the application meets criterion II.

Criterion III: The availability of less costly and/or more effective alternatives to the proposal, including alternatives involving the use of resources located outside the state of Delaware.

The applicant stated that birth center charges are significantly less than hospital costs. The closest birth center is Lifecycle WomanCare in Bryn Mawr, PA. The Birth Center often receive clients from their area when they reach capacity. The Birth Center is the only freestanding birth center in the state. They note that they are currently expanding.

The Review Committee discussed the costs of health care and the cost of birth centers being significantly less than hospital costs. It was mentioned that the state's current benchmark goals are to reduce health care costs and this proposal meets this aspect.

The Review Committee agreed the application meets criterion III.

Criterion IV: The relationship of the proposal to the existing health care delivery system.

It was stated the Birth Center have been part of Delaware's maternity care world for 35 years and have always worked within the established healthcare system. They are an accredited birth center and have a broad base of support from several OB/GYN groups for consultation and transfer of care. The Birth Center have contracts with all the major insurers in the area, including both Medicaid plans.

Since they are an existing practice, they do not foresee a significant impact on other healthcare providers. They do not anticipate a significant impact on Christiana Hospital as they serve a very small section of the population. The Birth Center have approximately 225 births per year in their facility as compared to more than 6,000 at Christiana Hospital.

The Birth Center presently refer their clients to Brandywine OB/GYN, Greenville OB/GYN, First State Women's Health Care (in addition to a couple of doctors in solo practice), Maternal Fetal Medicine and Christiana Healthcare System. In the event of a rare emergency, patients are transferred to St. Francis Hospital. (In the new location, the Birth Center would exclusively transfer to Christiana Hospital).

The Review Committee discussed the possibility of the Birth Center providing letters of support for the application. Staff will reach out to the Birth Center to inquire about letters of support.

The Review Committee agreed the application meets criterion IV.

Criterion V: The immediate and long-term viability of the proposal in terms of the applicant's access to financial, management and other necessary resources.

The proposed location is 620 Churchmans Road. This area is experiencing growth. The new location will be in close proximity to the I-95 entrance and exit. It is expected that the Birth Center will continue to experience growth in the new location. The Birth Center is currently

working with their accountants for viability and planning purposes. The application notes that the maximum cost of the relocation will be \$40,000, which will be financed by cash. The Birth Center included a copy of their business plan in the application. The business plan includes a company synopsis, pricing, revenue and industry analysis data. The Birth Center successfully reached annual revenues of over \$1,600,000 last year. The Birth Center is independently owned and has been in operation since 1999. They continue to provide value base health care at a high quality low cost.

The Review Committee agreed the application meets criterion V.

Criterion VI: The anticipated effect of the proposal on the costs of and charges for health care.  
The application for the proposed project includes the following projected costs during its first full year of operations:

Financial Impact (first full year of operations):

Estimated effect on annual expenses: Increase of \$ 357,218.00

Estimated effect on annual revenue: Increase of \$ 395,104.00

Estimated effect on individual charges: \$ N/A charges will not change

The Review Committee reviewed Schedule 4-Statement of Revenue and Expenses which provided the Birth Center's revenue and operating costs/

The application stated the birth center is cost effective. The cost of delivering a baby at the Birth Center is a third of the cost of delivering a baby at the hospital. For low risk women, this option is a cost savings to the health care system. The Birth Center accepts all insurance benefits. If a patient's Medicaid is pending, they still begin the prenatal care progress in order to decrease infant morbidity and mortality.

The Review Committee discussed that the costs and charges to patients will not increase and the birth center will be adding more services in the new location.

The Review Committee agreed the application meets criterion VI.

Criterion VII: The anticipated effect of the proposal on the quality of health care.

The Birth Center is committed to continue to provide families with quality care. They have convened a task force to assist with identifying what aspects of the Birth Center families enjoy and what can be improved. Families also complete evaluations in which the evaluations are reviewed and adjustments are needed when necessary. The Birth Center is accredited by the Joint Commission on the Accreditation of Healthcare Organizations and by the Commission for Accreditation of Birth Centers (CABC). The Birth Center is a birth center focusing on alternative and integrative medicine with a traditional approach. They strongly believe their approach is key to improving public health indices and reducing care-related costs, ensuring a better health care for women. The application stated birth centers have provide a high quality of healthcare and

relocation of the existing center will allow for expansion of services, thereby increasing the availability of quality care and decreasing costs to the healthcare system.

The Review Committee agreed the application meets criterion VII.

It was noted that the applicant is required to provide other review considerations that is stated in the application, however is they are not a part of the seven criteria. The other review considerations mentioned were as follows:

Economies and improvements in the delivery of the service  
Foster Competition to promote quality assurance and cost-effectiveness  
History in Delaware of providing health services to the Medicaid patients and the medically indigent  
Provision of services promote a continuum of care in the health care system  
Enhance the health status of the user population  
Enhance the efficiency with which the health care needs of the user population are being met  
Conservation Principles  
Architectural Barriers  
Study / Analysis

It was discussed that birth centers provide a high quality of healthcare and relocation of the existing center will allow for expansion of services, thereby increasing the availability of quality care and decreasing costs to the health care system. The Birth Center has provided care to low income women and their families since 1982. The Birth Center will ensure continuity of care, support and follow up. The relocation closer to Christiana Hospital will improve continuity of care. The Birth Center continues to adapt to the growing preferences and needs of women of childbearing age. The new location will be ADA accessible and up to current codes and regulations.

The Review Committee recommended approval for the Birth Center to relocate their existing center to a new location in Newark DE.

### ***Next Steps***

The Review Committee will provide their recommendation to the Board at the January 25, 2018 Health Resources Board meeting.

### ***Adjourn***

The meeting adjourned at 2:00 p.m.

### ***Guests Attending***

There were no public attendants